

HOUSE BILL NO. 161

INTRODUCED BY J. HAMILTON

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE CALCULATION OF THE CAPITAL GAINS TAX CREDIT; CALCULATING THE CREDIT ON THE LESSER OF MONTANA SOURCE NET CAPITAL GAINS OR TAXABLE INCOME; AMENDING SECTION 15-30-2301, MCA; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-30-2301, MCA, is amended to read:

"15-30-2301. Capital gains credit. An individual taxpayer is allowed a credit against the taxes imposed by 15-30-2103 or 15-30-2104 in an amount equal to ~~1% of the taxpayer's net capital gains for tax years 2005 and 2006 and~~ 2% of the lesser of the taxpayer's Montana source net capital gains for tax years beginning after 2006 or taxable income, as shown on the taxpayer's individual income tax return filed pursuant to 15-30-2602. Net capital gains must be determined in accordance with 26 U.S.C. 1222(11). The credit allowed under this section may not exceed the taxpayer's income tax liability."

NEW SECTION. **Section 2. Applicability.** [This act] applies to tax years beginning after December 31, 2021.

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